



1 Canadian Stock to Buy Before It's Too Late

Description

This year has been wild for Motley Fool investors. The beginning started great, with stocks on the **TSX** today rising higher and higher. But the meme stock phenomenon, the tech pullback, the rise of oil and gas all created a [volatile](#) situation. And this was hard to take after the year of growth stocks that was 2020.

It was also a rough go for renewable energy companies. United States President Joe Biden promised there would be *trillions* put toward renewable energy. And that hasn't changed! But after the fall of other industries and the stratospheric rise of renewable energy companies, the pullback was intense.

Companies reach all-time highs and some fell back to half their value. And this was the case on the TSX today for **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)). But while this recent volatility isn't ideal, it's also not deserved. So here's why this is a Canadian stock to buy before it's too late.

Fundamentally strong

As I said, Brookfield was one of the companies that saw a fall yet didn't deserve one. Brookfield rose to all-time highs in the \$70 range, yet now it trades at \$47.55. That's up from where it was at 52-week lows around \$38 per share. But still, many Motley Fool investors may wonder when — and indeed *if* — the company will rise again.

In short, yes. Brookfield has strong fundamentals that investors can hang their hat on if buying right now, [today](#). During its latest earnings report, the company reported a 23% increase in funds from operations. This came from growth from acquisitions and development assets coming online. The company made 28 further agreements for more renewable generation “..across all major industries,” keeping up its momentum. It invested a further \$1.9 billion and continues to have \$3.3 billion on its balance sheet.

Yet the stock is so *cheap*. Its price to book value sits at 2.1, and price to sales at 4.5. And Motley Fool investors can also pick up a stellar dividend yield of 3.14% as of writing. And there's more growth on

the TSX today on the way.

Growing, growing, gone

During the earnings release, Brookfield announced it continues to look for opportunities to create cash flow. As mentioned, it already invested more during the past quarter. But management believes more is on the way. A large part was from contracts to create on- and off-shore wind farms. These contracts will last *decades* and add to similarly long renewable energy projects as well.

And that's what's so exciting about Brookfield. It currently is in a downturn, yet the future is full of stable returns. And unlike other new companies, Brookfield has decades of growth to support your purchase. While shares are up just 28% in the last year, those shares are up 2,219% in the last two decades. That's a compound annual growth rate (CAGR) of 17%!

That growth is likely to accelerate in the next decade, and here's why. First, there's a new infrastructure bill being passed in the United States. This would add even more money to the growing renewable energy sector. However, over the next decade over US\$10 *trillion* is expected to be invested in renewable energy projects globally.

Brookfield stands to benefit from the TSX today because it is in almost every single type of renewable energy asset. in a diverse range of countries. That means it will continue to see stable income come in no matter what happens around the world. And it already proved it will continue to do this, even during a pandemic.

Bottom line

This deal isn't going to last long. Brookfield is a steal on the TSX today. But soon, the market will recover. It's likely Brookfield will then see a major turnaround to that \$70 share price range. So buying today and at the very least enjoying the dividend, for now, would be ideal for Motley Fool investors.

CATEGORY

1. Dividend Stocks
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